

Comparison of OMB's Original Forecast with Actual for FY 2002

Some have incorrectly attributed the majority of the change in the fiscal outlook to the enactment of the President's tax relief program, when in fact it was only the cause of 7% of the reduction. In February 2001, OMB forecasted a FY 2002 surplus of \$283 billion. The table below compares the original surplus forecast and each of the factors that led to the \$159 billion actual deficit for FY 2002.

CHANGE FROM ORIGINAL FORECAST MADE IN 2001 (in billions of dollars)

	<u>Amount</u>	<u>Impact on Surplus</u>
Surplus Forecast	283	
Receipts:		
Economic Change.....	-284	-64%
Tax Relief.....	-32	-7%
Stimulus.....	<u>-52</u>	<u>-12%</u>
Subtotal	-368	-83%
Outlays:		
Defense Department	-37	-8%
Unemployment Trust Fund	-22	-5%
Interest on the Public Debt	17	4%
Other	<u>-27</u>	<u>-6%</u>
Subtotal	-74	-17%
Total Change.....	-441	-100%
Actual Deficit.....	-159	

Source: U.S. Office of Management and Budget and Department of Treasury